Siemsen and his colleagues tested four models of the relationships among motivation, opportunity, and ability: (a) a linear combination, (b) the constraining factor model, (c) a traditional multiplicative model, and (d) a combination of the other three. Put simply, they found that the CFM was superior to the other models—not only in terms of model fit, but also in terms of qualitative insights. The idea of one factor being a bottleneck that determines knowledge-sharing behavior seems to hold true for both motivation and ability (i.e., if motivation or ability is lacking, sharing behavior doesn't occur). The results for opportunity (operationalized as time availability) were a bit more complex, but no less interesting. In a nutshell, when employees lacked the time to share knowledge (i.e., opportunity was the bottleneck), motivation and ability were blocked from having an impact on knowledge-sharing behavior. Put another way, if time was insufficient, it made no difference how motivated employees were to share knowledge or how skillful they were in doing so; they just did not engage in sharing behavior.

These results are compelling in several respects. First, this study makes an important contribution to the motivation literature by enhancing our understanding of how motivation, opportunity, and ability work in a knowledge-sharing context. It also clarifies the ambiguous results from previous studies and extends the applicability of a constraining factors model beyond a traditional operations management domain.

Most important, however, is that Siemsen and his colleagues offer us clear insights for managerial practice. Their rigorous approach yields metrics that can be used in the implementation of knowledge-sharing initiatives. By evaluating the levels of motivation, ability, and opportunity within an organization, managers can better determine where to invest time and money to enhance knowledge-sharing activities.

Source: Siemsen, E., Roth, A.V., & Balasubramanian, S. (2007). How motivation, opportunity, and ability drive knowledge sharing: The constraining factor model. *Journal of Operations Management, 26,* 426–445.

Improving Employee Motivation and Retention in Call Centers: Is Adding Layers the Answer?

Research Brief by Nikos Bozionelos, Professor in Organizational Behavior and Human Resource Management, Durham University

Many scholars and managers believe that the structure of the economy and the nature of competition have fundamentally changed since the 1980s. These changes, many also believe, have led to flattened organizational hierarchies and reduced job security. And as a result, so the thinking goes, employees face dramatically reduced opportunities for upward mobility. In short, conventional wisdom in many cases is that traditional career ladders have largely vanished, with little hope of a return to the internal labor markets of the past. That said, an alternative perspective also exists, one suggesting that changes in job structures within firms are neither unidirectional nor permanent. Instead, job structures—and the opportunities they present to employees—evolve as firms search for the right balance between cost efficiency and maintenance of product quality.

Moreover, economic changes have generated new types of jobs. One example of a new type of employment is the work performed by customer service representatives in call centers. According to some estimates, call centers account for up to 5% of total employment. Consequently, call centers provide an appropriate setting to investigate the extent to which the traditional career has been inexorably disappearing under the demands of the new economy. And in their recent study, Philip Moss of the University of Massachusetts at Lowell, Harold Salzman of the Urban Institute, and Chris Tilly of the University of Massachusetts at Lowell did just that.

In a nutshell, Moss and his colleagues conducted an extensive case study assessment of call centers in the U.S. financial and retail industries over a seven-year period. As part of their effort, they carefully reconstructed the changes in job structures that had evolved within these call centers since they emerged in the early 1980s. Their findings were quite interesting. Moss and his colleagues found that call centers typically started their operations with flat hierarchies to achieve cost minimization—one of the key ideas driving the call center concept. Firms initially thought that flat hierarchies would help them meet their goals. But as it turned out, flat structures clashed with the need to provide high-quality customer service—something that required a motivated, loyal, and highly skilled workforce.

As a result, job structures in many call centers have changed over the years. Among the changes observed include more layered hierarchies as well as heightened skill and qualification requirements for employees. In essence, these changes were largely driven by demands for quality customer service. For instance, adding supervisory layers, along with recognition and rewards, provided career growth opportunities to valued employees and reduced turnover. In some cases, call centers doubled the layers of their employee hierarchies in just a few years.

Other call centers responded to customer service and workforce demands for recognition and career growth with pay increases for improvements in skills and performance. However, approaches focusing solely on pay increases met with relatively little success. Employees were more interested in promotion opportunities. Promotion brought formal recognition as well as changes in status and responsibilities.

Moss and his colleagues also uncovered some fascinating long-term employment patterns. Although call center turnover rates were generally high, much of that turnover was associated with new employees who quickly realized that the nature of call center work did not suit them. Surprising perhaps to some was the fact that many call centers had a substantial core of employees with long career histories in the business.

In any case, the addition of hierarchical layers in call centers was the major factor in creating internal labor markets with good career growth opportunities for employees. Interestingly, another contributing factor was that hiring supervisors and managers from the outside generally failed to deliver good results. Externally hired managers simply did not adapt as quickly to the call center environment, nor did they possess the same degree of loyalty as their internally promoted counterparts. Consequently, many call centers moved over time toward policies that focused on promoting from within rather than hiring from the outside.

Likewise, many call centers further expanded career horizons for employees by offering opportunities across functional boundaries in the firm. In essence, able employees could be promoted to areas outside the call center, particularly if appropriate opportunities did not exist within the center itself. As a result, valuable employees could be retained within the firm. That said, this approach was not without problems. In some cases, talented call center employees tended to leak out into various parts of the firm once they realized that opportunities existed in other units or functional areas.

Nevertheless, opportunities for upward mobility within the internal labor markets of call centers often were far from ample. Moreover, there were clear cohort differences in place. In other words, employees who had joined call centers around the time of their opening often had more opportunities to advance than their counterparts who had joined later—when most supervisory and managerial positions were already filled.

One implication of Moss, Salzman, and Tilly's study is the apparent persistence of certain managerial conceptions in many call centers. A prime example of this was the managerial belief that flat organizational structures and cost minimization approaches were the best ways to run call centers. As a result, many centers started their operations under those auspices—only to realize later and at some cost that they were counterproductive in terms of producing the employee motivation and retention necessary to deliver quality customer service. Nevertheless, such beliefs are apparently so deeply entrenched that in some cases companies eventually regressed back to tactics that were compatible with the premise of flat structures and cost minimization. Indeed, another related finding was the slowness of many call centers to learn from the experience of others. Although the experience of the first call centers had made evident that flat structures were not paying dividends, many new call centers nevertheless started their operations with flat structures and only later felt that they needed a new approach.

Naturally, Moss and his colleagues realize that their study had limitations. For instance, they noted that their results may not be generalizable across all types of call centers. But Moss and his colleagues have provided a great service in challenging the commonly held belief that "traditional" careers do not exist or do not pay dividends within call centers—an employment sector that epitomizes the new economy. In fact, their results suggest that upwardly mobile career paths do exist in call centers, particularly when firms realize that by providing career opportunities for employees, they can better meet customer demands for quality service. In short, a motivated, skilled, and loyal workforce usually trumps cost-minimization schemes. And employees especially value promotions, which provide the increases in status and responsibility that pay raises alone cannot match. Clearly, the message of Moss and his colleagues is that managers should take these findings into account when setting up call centers or trying to improve their operations. And in doing so they may also need to question their own beliefs: If anything, the biggest hurdle to better call center performance may be their own deeply entrenched yet flawed beliefs about employees and work structures.

Source: Moss, P., Salzman, H., & Tilly, C. (2008). Under construction: The continuing evolution of job structures in call centers. *Industrial Relations, 47*, 173–208.

Does Government Ownership Always Reduce Firm Values? Evidence from Publicly Listed Companies in China

Research Brief by Ran Zhang, Assistant Professor of Accounting, Guanghua School of Management, Peking University, and James A. Largay III, Professor of Accounting, Lehigh University

China has achieved impressive economic growth since introducing market reforms in the late 1970s. Key factors in China's economic modernization are the "corporatization" or partial privatization of state-owned enterprises and the listing of some partially privatized publicly listed companies (PLCs) on the Shanghai and Shenzhen stock exchanges. Even so, the state holds a significant stake in many Chinese PLCs and is often the majority shareholder. Because government intervention often involves a "grabbing hand" that extracts rents and protects its ownership rights, economists usually view government ownership as detracting from corporate performance. Previous studies suggest that weak institutional infrastructure compounds this negative effect.

However, the grabbing hand effect may be less pronounced than previously believed. Most listed firms in China have performed well despite the fact that many of them are encumbered by substantial government shareholdings. A recent fascinating study by Lihui Tian of Peking University and Saul Estrin of the London School of Economics examined the reason for this unexpected fact by testing the relationship between government ownership and firm performance in China's near-laboratory setting. They found a U-shaped relationship between government ownership and corporate value—firms with low government ownership do well, and, contrary to prior beliefs, firms with large government shareholdings can also do well.

China's transition to a more market-based economy produced unprecedented reforms and stock markets with unique characteristics. When established in 1991, the Shanghai and Shenzhen stock exchanges listed only state-owned companies. Around that time, most Chinese state-owned enterprises underwent restructurings that clarified property rights, improved corporate governance, and encouraged efficient commercial modes of operation. Many former state-owned enterprises became joint stock companies that offered owners an incentive to maximize enterprise value, but, as noted, the state retained majority ownership in many Chinese PLCs. Unlike in other emerging markets, the Chinese government's retention of very high government ownership interests in PLCs provides a relatively unique setting for exploring the relationship between state ownership and corporate performance.

Taking advantage of this setting, Tian and Estrin used data on Chinese listed firms between